

P-542, 421, 430, 407, 405 , 520/CP-92-30ORDER GRANTING TIME EXTENSION

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
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In the Matter of a Petition for Extended Area
Service from the Lonsdale Exchange to the
Minneapolis/St. Paul Metropolitan Calling
Area

ISSUE DATE: April 14, 1994

DOCKET NO. P-542, 421, 430, 407, 405,
520/CP-92-30

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PROCEDURAL HISTORY

On January 13, 1992, subscribers in the Lonsdale exchange filed a petition for extended area service (EAS) to the Minneapolis/St. Paul Metropolitan Calling Area (MCA).

On January 21, 1992, the Minnesota Department of Public Service (the Department) requested Lonsdale Telephone Company (Lonsdale) to file traffic data for the Lonsdale to MCA route.

On January 29, 1992, the Commission issued its ORDER DENYING PETITIONS FOR RECONSIDERATION in the Hokah to LaCrosse, Wisconsin EAS petition (Docket P-401/CP-89-951). Among other things, this Order required interexchange carriers (IXCs) to meet with the Department to determine a reliable and uniform traffic study methodology that can be used by local exchange companies (LECs), such as Lonsdale, in developing their cost studies and proposed rates for the pending interLATA EAS petitions. Among the LECs that would use the developed methodology was Lonsdale.

During 1992, the IXCs, the Department, the LECs serving the MCA, and Commission staff met several times to develop the methodology.

On November 6, 1992, the Commission issued its ORDER APPROVING TRAFFIC STUDY METHODOLOGY AND REQUIRING FURTHER FILINGS. This Order approved the traffic study methodology proposed by the IXCs.

On July 16, 1993, Lonsdale Telephone Company verbally indicated to Commission staff that it could secure interLATA traffic data for the Lonsdale to MCA route from MEANS, the centralized equal access organization. Lonsdale Telephone is a MEANS member.

On August 10, 1993, the Commission issued its ORDER REQUIRING TRAFFIC STUDIES.

On September 28, 1993, Lonsdale filed a letter indicating the Lonsdale to MCA route meets the traffic adequacy criterion.

On October 6, 1993, the Department filed a letter recommending that the traffic between Lonsdale and the MCA meets the traffic criterion.

On October 28, 1993, the Commission issued an Order requiring cost studies, proposed rates, and a lower-priced alternative.

On February 14, 1994, Lonsdale filed a request for an extension until April 1, 1994 to file the required information. Lonsdale also requested the Commission to establish a stimulation factor of 4 for the Lonsdale petition.

On February 16, 1994, the Department filed a request for reconsideration to set the stimulation factor at 2 for four other Metro EAS cases: Belle Plaine, Cologne, New Prague and Waconia.

On March 23, 1994, the Commission issued its ORDER GRANTING TIME EXTENSION AND SETTING STIMULATION FACTOR. The Order required cost studies and proposed rates by April 1, 1994.

On March 31, 1994, USWC filed a request for a 30 day extension.

On April 1, 1994, United Telephone Company (United) also requested a 30 day extension and Sherburne County Rural Telephone Company (SCRTC) requested a 45 day extension.

On April 11, 1994, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

30-Day Time Extensions Requested by USWC and United

In support of their requests, USWC and United explained that preparation of their cost studies and proposed rates has been hampered by delays in developing two way traffic studies between the Lonsdale exchange and the metropolitan calling area (MCA) exchanges.

USWC stated that MCI and several of the smaller interexchange carriers (IXCs) had not provided traffic data to Lonsdale Telephone Company and, as a consequence, the affected telephone companies had to develop studies of traffic originating in the MCA exchanges using AT&T and Sprint data factored up to account for the missing IXCs' usage.

The companies stated that they would need an additional 30 days to complete the cost studies and develop proposed rates.

The Commission is aware that the Lonsdale petition involves an interLATA route and therefore takes more time and coordination among more parties. However, the progress made by USWC, United, and the other affected telephone companies on this matter is not satisfactory. Lonsdale's problem getting traffic data from MCI and some smaller IXCs, which was cited by USWC and United in their petitions, was known at least as early as February 14, 1994, when Lonsdale filed for an extension to April 1, 1994.

In all cases, reasonable diligence and ingenuity by the parties to meet regulatory obligations is assumed. Once charged with knowledge that there was a problem with proceeding as they had done in the past, the companies should have initiated prompt adaptive action. For example, the companies could have asked the Department in a timely manner to secure the necessary information from the IXCs via 10-day Information Requests. Or, the companies could have proceeded without such data, as USWC and United now acknowledge can be done, using a factor-up process developed in related dockets. These examples are given to stimulate rather than to prescribe the companies' ingenuity in meeting filing deadlines.

45-Day Time Extension Requested by SCRTC

SCRTC's request warrants separate consideration. In its March 31, 1994 filing, SCRTC argued that it needed 45 days to prepare its cost studies and proposed rates to take into account the fact that the Zimmerman exchange had been recently admitted to the MCA.

The Commission acknowledges that the addition of Zimmerman into the MCA has an effect upon SCRTC's cost studies and proposed rates. However, SCRTC knew of Zimmerman's inclusion as early as the March 8, 1994 meeting at which the polling results for the Zimmerman exchange were announced. In these circumstances, it does not appear reasonable to extend SCRTC's deadline for filing cost studies and proposed rates in this matter 45 days beyond the April 1, 1994 deadline, as the company requested.

Commission Action

Reluctantly, in light of the Commission's concern for the expeditious processing of this petition, the Commission will grant an extension for filing the cost studies and proposed rates. However, SCRTC's request for an extension of 45 days will be denied. Such an extension would be unnecessarily long in light of the tasks to be accomplished and the impediments cited. In addition, the parties will note that the time of the extension will be 30 days beyond April 1, 1994, the previously extended date, not 30 days from the date of this Order.

The Commission would encourage the companies to plan their workload sufficiently in advance of the May 1, 1994 deadline so that no further extensions will be requested in this matter.

Finally, since it would be beneficial to establish a uniform schedule for filing these studies and proposed rates, the Commission will set May 1, 1994 as the due date for *all* the cost studies and proposed rates in this matter.

Thereafter, the comment schedule will be as established in the Commission's October 28, 1993 Order in this matter. Specifically, after the companies file their cost studies and proposed rates on May 1, 1994, the Department shall file a report and recommendation. If the Department recommends changes in the assumptions used, the Department shall recalculate rates using its own assumptions.

Parties who wish to comment on the Department's report will have 20 days to do so.

ORDER

1. The requests of U S West Communications, Inc. (USWC), United Telephone Company (United) and Sherburne County Rural Telephone Company (SCRTC) for additional time to file their cost studies and proposed rates are denied in part and granted in part, as specified herein. USWC, United, and SCRTC shall file these items on or before May 1, 1994.
2. Likewise on or before May 1, 1994, the other telephone companies which provide service to the MCA shall file cost studies and proposed rates. In addition, Lonsdale Telephone Company (Lonsdale) shall file its lower cost alternative proposal by that date.
3. The cost studies and proposed rates filed pursuant to Ordering Paragraphs 1 and 2 should follow the guidelines set out in the body of the October 28, 1993 Order in this matter.

The telephone companies shall serve the filings on the Department, the petition sponsor, and other parties.
4. Within 60 days of the filing of cost studies and proposed rates and Lonsdale's lower priced alternative, the Department shall file a report and recommendation. If the Department recommends changes in the assumptions used, the Department shall recalculate rates using its own assumptions.
5. Parties who wish to comment on the Department's report shall do so within 20 days of its filing.
6. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)